

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 431 - HB 345

February 18, 2013

SUMMARY OF BILL: Extends the prohibition on certificates of need for new nursing home beds, except for 125 Medicare skilled nursing facility beds, to June 30, 2014.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The state will forgo nursing home bed tax revenue and avoid paying increased state and federal reimbursement expenditures arising from Medicaid enrollees utilizing long term care services.

Assumptions:

- Current law limits the number of new nursing home beds for which certificates of need may be issued by the Health Services and Development Agency (HSDA) during FY11-12 and FY12-13. The proposed legislation will extend the current limitation for one additional fiscal year.
- The state will forgo any increased revenue from the nursing home bed tax of \$2,225 per bed.
- According to the Bureau of TennCare (the Bureau), one Medicaid reimbursement eligible nursing home bed costs approximately \$55,000 per year. Of the \$55,000, \$18,975 would be state funds at a rate of 34.5 percent and \$36,025 would be federal funds at a match rate of 65.5 percent.
- The Bureau will avoid an increase in expenditures of \$55,000 per bed per year for each new nursing home bed for which a certificate of need is not issued due to the current limitation being extended.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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